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C O N F I D E N T I A L ROME 001423

SIPDIS

USEU FOR AID LERNER

E.O. 12958: DECL: 04/08/2014

TAGS: [PREL](#) [PHUM](#) [IT](#) [CY](#) [EUN](#)

SUBJECT: ITALY WILL BE GENEROUS TO CYPRUS; NO FIGURE READY FOR DONORS' CONFERENCE

REF: STATE 76346

CLASSIFIED BY: POL MINISTER COUNSELOR TOM COUNTRYMAN. REASON: 1.5 (B)(D).

**¶11.** (U) MFA'S TURKEY/GREECE/CYPRUS OFFICE DIRECTOR GIOVANNI RICCIULI TOLD POLOFF THAT DEPUTY DIRECTOR-GENERAL FOR EUROPEAN AFFAIRS FRANCESCO BASCONE WILL HEAD THE ITALIAN DELEGATION TO THE APRIL 15 CYPRUS PRE-DONORS' CONFERENCE IN BRUSSELS.

**¶12.** (C) RICCIULI EXPRESSED APPRECIATION FOR THE US PLEDGE OUTLINED IN REFTEL, AND PROMISED THAT ITALY WOULD ALSO MAKE A GENEROUS CONTRIBUTION TO THE INTERNATIONAL COMMUNITY'S EFFORTS TO ENSURE THE SUCCESS OF THE COMPREHENSIVE SETTLEMENT PLAN. ITALY WOULD NOT, HOWEVER, BE READY TO TABLE A PRECISE FIGURE FOR ITS DONATION ON APRIL 15. ITALY WANTS TO USE THE PRE-DONORS' CONFERENCE TO DISCUSS SPECIFIC PROPOSALS FOR CHANNELING FUNDS BEFORE DECIDING HOW MUCH OF ITS "SCARCE" INTERNATIONAL AID BUDGET IT WILL ALLOCATE TO CYPRUS.

**¶13.** (C) ITALY IS ALSO WORKING HARD, INTERNALLY AND WITH ITS EU PARTNERS, ON METHODS TO CONVINCE GREEK CYPRIOTS THAT IT IS IN THEIR INTERESTS TO VOTE "YES" ON THE SETTLEMENT PLAN ON APRIL 24. RICCIULI CONCEDED THAT SINCE ACCESSION IS CERTAIN, AND ALL SIDES KNOW IT, IT IS DIFFICULT TO USE EU MEMBERSHIP AS AN INCENTIVE. THERE ARE HOWEVER, OTHER TOOLS AT THE EU'S DISPOSAL. DEVELOPMENT FUNDS THAT THE GREEK CYPRIOTS ARE EXPECTING COULD BE CONDITIONED ON PROGRESS TOWARDS UNIFICATION - NOT JUST A "YES" VOTE, BUT TO REAL POLITICAL WILL IN NICOSIA TO ADHERE TO THE TERRITORY TRANSFER SCHEDULE AND OTHER STABILIZATION COMPONENTS OF THE SETTLEMENT PLAN. ANOTHER OPTION UNDER DISCUSSION AT THE MFA IS A SERIES OF PUBLIC STATEMENTS BY THE ITALIAN GOVERNMENT, CAREFULLY CRAFTED SO THAT NO INDIVIDUAL GROUP FEELS TARGETED, OUTLINING THE BENEFITS OF A "YES" VOTE AND THE LONG TERM COSTS, POLITICAL AND ECONOMIC, OF THE REFERENDUM'S DEFEAT ON EITHER SIDE OF THE GREEN LINE. RICCIULI ASKED THAT WE KEEP THIS LAST OPTION CLOSE-HOLD UNTIL APPROVED BY SENIOR MFA OFFICIALS.

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<HTTP://WWW.STATE.SGOV.GOV/P/EUR/ROME/INDEX.CF> M

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